

# **Discharge – as one of modes of resolving insolvency**

## **Abstract**

Discharge from debts is one of modes of resolving insolvency according to Czech Insolvency Act (Act N.182 / 2006 Coll.). Discharge is ranked among so-called rehabilitation modes of resolving insolvency, whose purpose is not only the highest possible satisfaction of creditors, but also the protection of a debtor against unfavorable consequences of the insolvency proceedings. Discharge can be used to resolve insolvency of non-entrepreneurs and small businessmen.

The purpose of this thesis is to comprehensively characterize discharge from debts as one of rehabilitation modes of resolving insolvency, describe all phases of the discharge procedure and focus on some specific problems of this institute.

The thesis is composed of six chapters. Chapter One focuses on general characteristics of the rehabilitation modes of resolving insolvency. At the very beginning there is a definition of bankruptcy and a basic description of rehabilitation modes, followed by brief historical overview of Czech insolvency law. Last part of this chapter deals with rehabilitation modes in Insolvency Act and brief description of reorganization and discharge with emphasis on its personal applicability.

Chapter Two concerns with a commencement of insolvency proceedings. It describes an insolvency petition and a petition for permission of a discharge, including joint petition of spouses.

Chapter Three concentrates on decisions, which can the court render about a petition for permission of a discharge.

Chapter Four analyses methods of discharge realization. Discharge can be executed by realization of bankrupt's estate or by installment plan. Secured creditors are also mentioned in this chapter.

Chapter Five describes the next phase of discharge, which is approval of discharge. This chapter points out a decision of court about approval of discharge, effects of this approval and objections of creditors against this approval.

Chapter Six refers to the final phase of discharge. It explains fulfillment of discharge and relief from the debts, which weren't satisfied in insolvency proceedings.